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DECISION



**THE COMPTROLLER GENERAL
OF THE UNITED STATES**
WASHINGTON, D. C. 20548

[Protest of Bid Rejection as Unreasonable]

FILE: B-201130

DATE: December 30, 1980

MATTER OF: Metalsco, Inc.

DIGEST:

Protest of rejection of bid for sale of brass casings, where only bid was significantly below what contracting officer viewed as reasonable price based on market conditions is rejected since contracting officer has broad discretion to determine reasonableness of bid price and no clear abuse of discretion is shown.

Metalsco, Inc. protests the rejection of its sole bid to purchase scrap brass casings under Invitation for Bids (IFB) 41-0311, item 165, issued by the Defense Property Disposal Service (DPDS). Item 165 consisted of 9,750 pounds of 20 mm., 7.62 mm. and 5.56 mm. unpopped brass, small arms cartridge cases located at Fort Wainwright, Fairbanks, Alaska. Metalsco bid a price of \$0.05 per pound, or a total extended price of \$487.50 for the lot. The Metalsco price was approximately 10 percent of that which DPDS in a report to our Office indicates it expected. DPDS rejected Metalsco's bid as unreasonable.)

Pointing out that 9,750 pounds is a comparatively small lot, that Fairbanks, Alaska is a remote location, and that the lot was mixed rather than comprised of a single size shell, Metalsco argues that the price it quoted was not unreasonable. In this regard, Metalsco relies for support primarily on prior Metalsco awards for scrap casings at similar values.)

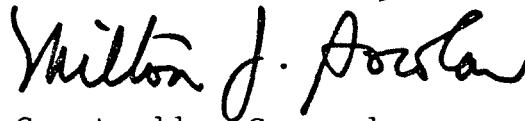
This Office has held consistently that the determination as to whether a price is reasonable, and therefore acceptable, is primarily a business judgment by contracting officials requiring the exercise of broad discretion. Since judgment is involved, different contracting officers may be expected to reach different

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conclusions, even on substantially similar facts. However, this Office will not disturb their findings absent a clear abuse of discretion. Sabin Metal Corporation, B-189759, December 16, 1977, 77-2 CPD 471; Philipp Brothers, Division of Engelhard Minerals & Chemicals Corporation, B-197060, June 12, 1980, 80-1 CPD 412.

In the circumstances, we see no reason to question DPDS's judgment. According to its report, it compared Metalsco's bid with prices obtained for 20 mm. brass shells at Fort Wainwright (Alaska), as well as with prices paid for sales at Elmendorf Air Force Base in Anchorage. It also took notice that the prices on some of the items cited by Metalsco were several years old and that since then prices for scrap brass had increased several fold. Metalsco may be correct in believing that the price for a mixed lot from Fort Wainwright would be less than prices paid for all 20 mm. material or for material from Anchorage. However, the record does not indicate that DPDS acted arbitrarily in concluding that a fair price would be several times what was offered.

Accordingly, Metalsco's protest is denied.



Acting Comptroller General
of the United States